

## Message Text

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PAGE 01 STATE 191190  
ORIGIN EA-09

INFO OCT-01 ISO-00 FEA-01 ERDA-05 AID-05 CEA-01  
CIAE-00 COME-00 DODE-00 EB-08 FPC-01 H-01 INR-07  
INT-05 L-03 NSAE-00 NSC-05 OMB-01 PM-05 USIA-06  
OES-07 SP-02 SS-15 STR-04 TRSE-00 ACDA-07 ARA-10  
/109 R

DRAFTED BY EA/TIMBS:ARDORNHEIM:CCH  
APPROVED BY EA/TIMBS:DPSULLIVAN  
-----018985 131435Z /41  
R 121507Z YUG 77  
FM SECSTATE WASHDC  
TO AMEMBASSY JAKARTA

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E.O. 11652: N/A

TAGS: ENRG, ID

SUBJECT: INDONESIAN LNG FOR CALIFORNIA

1. FPC DOWN TO ONE COMMISSIONER NOW, BUT TWO NOMINEES FOR APPOINTMENT TO FPC, AND ULTIMATELY TO NEW FEDERAL ENERGY REGULATORY COMMISSION (FERC) WHICH IS PROPOSED IN ENERGY LEGISLATION, HAVE BEGUN TO MOVE THROUGH CONFIRMATION PROCESS. LIKELY, THEREFORE, THAT COMMISSION WILL HAVE QUORUM SOON AFTER PACIFIC LIGHTING CASE IS PRESENTED TO IT IN SEPTEMBER. NEW LEGISLATION ALSO MANDATES THAT AFTER PASSAGE OF ENERGY ACT ALL PENDING CASES BEFORE FPC BE TREATED BY FERC UNDER PRESENT FPC RULES; THEY WOULD NOT HAVE TO BE RE-HEARD UNDER NEW PROCEDURES WHICH NEW COMMISSION MIGHT DECIDE TO ADOPT.

2. ACCORDING NEW YORK TIMES AUG 5, MEXICAN GOVT HAS  
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RECENTLY SIGNED LETTER OF INTENT TO SIX-COMPANY CONSORTIUM, SIGNIFYING ITS READINESS TO START UP DELIVERIES THIS YEAR AT 50 MILLION CUBIC FEET PER DAY RATE AND TO REACH LEVEL OF TWO BILLION CFD BY 1979. EL PASO NATURAL GAS CO, WHICH SUPPLIES ABOUT 70 PERCENT OF GAS WHICH SOUTHERN CALIFORNIA GAS NOW PROCURES, IS CONSORTIUM MEMBER. GAS COMPANIES

WOULD BE COMMITTED TO BUY FOR SIX YEARS AND WOULD HAVE  
OPTION TO BUY FOR ADDITIONAL SIX YEARS. (THIS ARRANGEMENT  
PROBABLY GEARED TO MEXICAN PRESIDENTIAL ELECTION CYCLE).  
PRICE WOULD APPARENTLY BE TIED TO PRICE OF NO. 2 LIGHT  
FUEL OIL LANDED NEW YORK (PERHAPS 2 DOLS AND 50 CENTS  
PER THOUSAND CUBIC FEET). A FORMAL AGREEMENT IS EXPECTED  
TO BE SIGNED BETWEEN GOM AND CONSORTIUM WITHIN NEXT FEW  
MONTHS. SOCAL GAS AND PACIFIC GAS AND ELECTRIC SHARES  
OF ANY MEXICAN GAS REACHING US WOULD PROBABLY BE ABOUT  
ONE EIGHTH EACH. CHRISTOPHER

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NNN

\*\*\* Current Handling Restrictions \*\*\* n/a

\*\*\* Current Classification \*\*\* LIMITED OFFICIAL USE

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** LEGISLATIVE BILLS, LPG, SALES  
**Control Number:** n/a  
**Copy:** SINGLE  
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**Decaption Date:** 01-Jan-1960 12:00:00 am  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
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**Drafter:** ARDORNHEIM:CCH  
**Enclosure:** n/a  
**Executive Order:** n/a  
**Errors:** n/a  
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**Office:** ORIGIN EA  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
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**Page Count:** 2  
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**Subject:** INDONESIA LNG FOR CALIFORNIA  
**TAGS:** ENRG, ID  
**To:** JAKARTA  
**Type:** TE  
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**Review Markings:**  
Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
22 May 2009  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009